

## GLOSSARY

**Ad valorem tax:** Commonly referred to as property tax; levied on both real and personal property according to the property's valuation and the tax rate.

**Annualize:** Taking changes that occurred mid-year and calculating their cost for a full year, for the purpose of preparing an annual budget.

**Appropriation:** A legal authorization to incur obligations and make expenditures for specific purposes.

**Assessed valuation:** Set upon property by the Assessor as a basis for levying property taxes.

**Base budget:** Cost if continuing the existing levels of service.

**Bond rating:** Grade indicating a unit's investment qualities; Ratings range from AAA (highest) to D (lowest).

**Budget:** Plan of financial activity for a specific period of time indicating all planned revenues and expenses for the budget period.

**Capital expenditure (or outlay):** Fixed asset which has a value of \$500 or more and has a useful economic lifetime of more than one year.

**Capital Improvement Program (CIP):** Long-range plan which outlines major capital needs and the means of financing proposed acquisitions.

**Code:** System of numbering accounts and transactions on order to produce desired information.

**Constant dollars:** Actual dollar amounts adjusted for inflation.

**Contingency:** A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

**Debt service:** Cost of paying principal and interest on borrowed money according to a predetermined payment schedule.

**Expenditure:** Payment of cash on the transfer of property or services for the purpose of acquiring an asset, service, or settling a loss.

**Federal and State Revenues:** Funds received from federal, state, and other local government sources.

**Fixed asset:** Assets of long-term character that are intended to continue to be held or used; such as land, buildings, furniture, and other equipment.

**Fund:** Fiscal entity with revenues and expenses that are segregated for the purpose of carrying out a specific purpose or activity.

**Fund balance:** Funds accumulated through the under expenditure of appropriations and/or the act of exceeding anticipated revenue.

**General obligation bonds:** Bond that is backed by the full faith, credit, and taxing power of the government.

**Goal:** A broad statement of desired conditions to be maintained or achieved through the efforts of an organization; standard against which progress is measured.

**Intergovernmental revenues:** Funds received from federal, state, and other local government sources.

**Object of expenditure:** An expenditure classification related to the type of goods or services purchased such as office supplies.

**Objective:** A specific statement of desired results which represents a single step in the achievement of a goal. Objectives are measurable and can be accomplished within a specific interval of time.

**Other Financing Sources:** A revenue category containing appropriated fund balance and transfers from other funds.

**Operating expense:** Cost for personnel, materials, and equipment required for a department to function.

**Performance budget:** A budget in which expenditures are based primarily upon measurable performance of activities and work programs.

**Performance indicator:** Specific quantitative and qualitative measures of work performed.

**Personal property:** Classified within two divisions; "Tangible" property includes items that are visible and movable, "Intangible" property includes stocks, bonds, bank deposits, etc.

**Personal services:** Expenditures for salaries, wages, and fringe benefits.

**Program:** Group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the government is responsible.

**Real property:** Land, buildings, and items permanently affixed to land or buildings.

**Reappraisal (or revaluation):** The process of revaluing a jurisdiction's real property in order to adjust the tax value to the market value.

**Reclassification:** A change in the classification and corresponding job title of an existing position which results from a major change in assigned responsibilities.

**Service level:** The amount of service provided during a fiscal year as indicated by one or more performance indicators.

**Special assessments:** Charges to property owners which finance public improvements or services deemed to benefit specific properties.

**Tax levy:** Revenue produced by applying a given tax rate to a property's assessed, or tax, value.

**Transfers In/Out:** Amounts transferred from one fund to another to assist in financing the services for the recipient fund.

**Trend:** A trend is a continuing direction of movement of a chronological series of data charted on a graph.

**User charges:** Payment of a fee for direct receipt of a public service by the party who benefits from the service.